

A. FURTHER INFORMATION ABOUT THE COMPANY**1. Incorporation of the Company and registration of the Company under Part XI of the Companies Ordinance**

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 23 February 2011. The Company has established a principal place of business in Hong Kong at Unit 1303, 13th Floor, Tai Tung Building, 8 Fleming Road, Wanchai, Hong Kong and has been registered as a non-Hong Kong company in Hong Kong under Part XI of the Companies Ordinance on 22 June 2011. Mr. Fong has been appointed as the authorised representative of the Company for the acceptance of service of process and notices on behalf of the Company in Hong Kong. The residential address of Mr. Fong is House 31, Seasons Palace, 157 Kam Sheung Road, Kam Tin, Yuen Long, New Territories, Hong Kong. As the Company was incorporated in the Cayman Islands, it is subject to the Companies Law and its constitution which comprises the Memorandum and the Articles of Association. A summary of various provisions of the Company's constitutional documents and relevant aspects of the Companies Law is set out in Appendix IV to this prospectus.

2. Changes in the share capital

As at the date of incorporation, the authorised share capital of the Company was HK\$390,000 divided into 39,000,000 Shares with a nominal value of HK\$0.01 each.

Pursuant to the written resolutions of all the Shareholders passed on 23 March 2011, the authorised share capital of the Company was increased from HK\$390,000 to HK\$7,800,000 by the creation of an additional 741,000,000 Shares.

Assuming that the Placing becomes unconditional and the issue of 45,000,000 Placing Shares pursuant thereto is made but taking no account of any Shares which may be issued upon the exercise of the options which may be granted under the Share Option Scheme, the issued share capital of the Company immediately following the Placing will be HK\$1,800,000 divided into 180,000,000 Shares, fully paid or credited as fully paid, with 600,000,000 Shares remaining unissued.

Other than pursuant to the exercise of any options which may be granted under the Share Option Scheme below, the Company does not have any present intention to issue any part of the authorised but unissued share capital of the Company and, without prior approval of the Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of the Company.

Save as aforesaid and as mentioned in the paragraphs headed "Written resolutions of all the Shareholders passed on 22 June 2011" and "Reorganisation" below, there has been no alteration in the share capital of the Company since the date of its incorporation.

3. Written resolutions of all the Shareholders passed on 22 June 2011

On 22 June 2011, written resolutions of all the Shareholders were passed pursuant to which, among other things:

- (a) conditional on (i) the Listing Division granting the approval of the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned herein (including any Shares which may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme) and (ii) the obligations of the Placing Agents under the Placing Agreement becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by the Joint Lead Managers acting for themselves and on behalf of the Co-lead Manager) and not being terminated in accordance with the terms of the Placing Agreement or otherwise, in each case on or before such dates as may be specified in the Placing Agreement:
 - (i) the Placing was approved and the Directors were authorised to effect the same and to allot and issue the Placing Shares; and
 - (ii) the rules of the Share Option Scheme (the principal terms of which are set out in the paragraph headed “Share Option Scheme” in this Appendix) were approved and adopted and the Directors or any such committee thereof be and are authorised to approve any amendments to the rules of the Share Option Scheme as may be acceptable or not objected to by the Stock Exchange, and the Directors were authorised, at their absolute discretion, to grant options to subscribe for Shares under the Share Option Scheme and to allot, issue and deal with the Shares pursuant thereto and to take all such steps as they consider necessary or desirable to implement the Share Option Scheme;
- (b) a general unconditional mandate was given to the Directors to exercise all the powers of the Company to allot, issue and deal with, otherwise than by way of rights issue or an issue of Shares upon the exercise of options which may be granted under the Share Option Scheme or under any option scheme or similar arrangements for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries or any other person of Shares or rights to acquire Shares or any scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association or any issue of Shares upon exercise of rights of subscription or conversion attaching to any securities of the Company (if any) which are convertible into Shares or the Placing or a specific authority granted by the Shareholders in general meeting, Shares with a total nominal value not exceeding the sum of:
 - (i) 20% of the aggregate nominal value of the share capital of the Company in issue immediately following the completion of the Placing, but excluding any Shares which may be issued upon exercise of any options that may be granted under the Share Option Scheme; and

- (ii) the aggregate nominal value of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution up to a maximum equivalent of 10% of the aggregate nominal value of the share capital of the Company in issue immediately following the completion of the Placing, but excluding any Shares which may be issued upon exercise of any options that may be granted under the Share Option Scheme,

such mandate to remain in effect until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution of the Shareholders in general meeting revoking, varying or renewing such mandate;
- (c) a general unconditional mandate was given to the Directors authorising them to exercise all powers of the Company to repurchase on GEM or on any other stock exchange on which the Shares may be listed and which is recognised by the SFC and the Stock Exchange for this purpose such number of Shares with a total nominal value not exceeding 10% of the aggregate of the total nominal amount of the share capital of the Company in issue immediately following completion of the Placing excluding any Shares which may be issued upon exercise of any options that may be granted under the Share Option Scheme, such mandate to remain in effect until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution of the Shareholders in general meeting revoking, varying or renewing such mandate;
- (d) the general unconditional mandate mentioned in paragraph (b) above was extended by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company pursuant to the mandate to repurchase Shares referred to in paragraph (c) above provided that such extended amount shall not exceed 10% of the total nominal value of the share capital of the Company in issue

immediately following the completion of the Placing excluding any Shares which may be issued upon exercise of any options that may be granted under the Share Option Scheme; and

- (e) the Company approved and adopted the Articles of Association to take effect on the Listing Date.

4. Reorganisation

The companies comprising the Group underwent the Reorganisation to rationalise the Group's structure in preparation for the Listing. The Reorganisation involved the following:

- (a) On 15 December 2010, Legend Strategy International was incorporated in BVI with limited liability with an authorised share capital of US\$50,000 divided into 50,000 shares with par value of US\$1.00 each. On the same day, one share with par value of US\$1.00 was allotted and issued as fully paid to Mr. Fong.
- (b) On 22 December 2010, Mr. Fong paid a sum of HK\$3,400,000 to Dr. Pradit in accordance with an agreement dated 16 September 2010 and Dr. Pradit transferred all his 40% shareholding interests in Moon Ko to Legend Strategy at a consideration of HK\$1.00. On the same day, Mr. Fong transferred all his 60% shareholding interests in Moon Ko to Legend Strategy at a consideration of HK\$1.00.
- (c) On 23 February 2011, the Company was incorporated in the Cayman Islands as an exempted company with limited liability with an authorised share capital of HK\$390,000 divided into 39,000,000 shares with par value of HK\$0.01. On the same day, one subscriber share with par value of HK\$0.01 was transferred to Mr. Fong. On 23 March 2011, the authorised share capital of the Company was increased to HK\$7,800,000 divided into 780,000,000 shares of HK\$0.01 each.
- (d) On 1 March 2011, Legend Strategy increased its authorised share capital from HK\$10,000 to HK\$15,000,000 and a total of 9,990,000 shares of Legend Strategy were issued and allotted to its then existing shareholders in proportion to their respective percentages of shareholding interests.
- (e) On 23 March 2011, Mr. Fong transferred one share representing 100% shareholding interests in Legend Strategy International to the Company at par value.
- (f) On 24 March 2011, Legend Strategy International acquired 10,000 shares with par value of HK\$1.00 each, representing the entire issued share capital of Lai Ying and all the shareholder's loan from Mr. Fong. In consideration of such acquisition, the Company allotted and issued 87,750,000 Shares,

credited as fully paid to Mr. Fong; and in turn, Legend Strategy International allotted and issued one share with par value of US\$1.00 credited as fully paid to the Company.

- (g) On 27 April 2011, Legend Strategy International acquired 278 shares, 342 shares, 95 shares, 95 shares, 95 shares and 95 shares with par value of HK\$1.00 each in the share capital of Triple Leaf (representing approximately 27.8%, 34.2%, 9.5%, 9.5%, 9.5% and 9.5% of its shareholding interests respectively) and all the shareholders' loan due and owed by Triple Leaf from Mr. Fong, Mr. De Weyer, Markus Rall, Jiang Wen, Qiu Wen and Kan Yau Shan respectively. In consideration of such acquisitions, the Company allotted and issued 5,259,465 Shares, 6,473,655 Shares, 1,791,720 Shares, 1,791,720 Shares, 1,791,720 Shares and 1,791,720 Shares to Mr. Fong, Mr. De Weyer, Markus Rall, Jiang Wen, Qiu Wen and Kan Yau Shan respectively; and in turn Legend Strategy International allotted and issued one share with the par value of US\$1.00 credited as fully paid to the Company.
- (h) On 19 June 2011, Legend Strategy International acquired 500,000 shares, 800,000 shares, 300,000 shares, 200,000 shares, 100,000 shares, 100,000 shares and 100,000 shares with a par value of HK\$1.00 each in the share capital of Legend Strategy (representing 5%, 8%, 3%, 2%, 1%, 1% and 1% of its shareholding interests respectively) from Mr. Fong, Mr. Qiu, Mr. De Weyer, Qiu Wen, Tuo Wei Wei, Ho Yin Man, Carmen and Wang Huaner and the shareholders' loan due and owed by Legend Strategy from Mr. Fong, Mr. De Weyer, Qiu Wen, Tuo Wei Wei, Ho Yin Man, Carmen and Wang Huaner respectively. In consideration of such acquisitions, the Company allotted and issued 6,750,000 Shares, 10,800,000 Shares, 4,050,000 Shares, 2,700,000 Shares, 1,350,000 Shares, 1,350,000 Shares and 1,350,000 Shares to Mr. Fong, Mr. Qiu, Mr. De Weyer, Qiu Wen, Tuo Wei Wei, Ho Yin Man, Carmen and Wang Huaner respectively; and in turn Legend Strategy International allotted and issued one share with par value of US\$1.00 credited as fully paid to the Company.
- (i) On 24 June 2011, Triple Leaf (BVI) acquired 1,791,720 Shares, 1,791,720 Shares and 1,791,720 Shares (representing approximately 1.33%, 1.33% and 1.33% of the shareholding interests in the Company respectively) from Markus Rall, Jiang Wen and Kan Yau Shan respectively. In consideration of such acquisitions, Triple Leaf (BVI) allotted and issued to each of Markus Rall, Jiang Wen and Kan Yau Shan one share with par value of US\$1.00 in its share capital.

5. Changes in the share capital of subsidiaries of the Company

The subsidiaries of the Company are listed in the Accountant's Report set out in Appendix I to this prospectus. Save as disclosed below and in the paragraph headed "Reorganisation" of this Appendix, the following alterations in the share capital of the Company's subsidiaries have taken place within the two years immediately preceding the date of this prospectus:

(a) Legend Strategy International

On 15 December 2010, Legend Strategy International was incorporated with limited liability in BVI with an authorised share capital of US\$50,000. Upon its incorporation, one share of US\$1.00 was allotted and issued as fully paid to Mr. Fong.

(b) Legend Strategy

On 1 March 2011, the authorised share capital of Legend Strategy was increased from HK\$10,000 to HK\$15,000,000 divided into 15,000,000 shares of par value of HK\$1.00 each. On the same date, Legend Strategy allotted and issued an aggregate of 9,990,000 shares of par value of HK\$1.00 as fully paid to Mr. Qiu, Lai Ying, Triple Leaf, Qiu Wen, Tuo Wei Wei, Wang Huaner, Ho Yin Man Carmen, Mr. Fong and Mr. De Weyer, as to 799,200 shares, 6,493,500 shares, 1,398,600 shares, 199,800 shares, 99,900 shares, 99,900 shares, 99,900 shares, 499,500 shares and 299,700 shares respectively. After such allotment and issuance of shares, the shareholding structure of Legend Strategy remained unchanged.

Save as disclosed above and in the paragraph headed "Reorganisation" of this Appendix, there has been no alteration in the share capital of the subsidiaries of the Company which took place within the two years immediately preceding the date of this prospectus.

6. Repurchase by the Company of its own securities

This section includes information relating to the repurchase of the Shares, including information required by the Stock Exchange to be included in this prospectus concerning such repurchase.

(a) Relevant legal and regulatory requirements

The GEM Listing Rules permit Shareholders to grant the Directors a general mandate to repurchase the Shares that are listed on the Stock Exchange.

(b) Shareholder's approval

All proposed repurchases of Shares (which must be fully paid up) must be approved in advance by an ordinary resolution of the Shareholders in a general meeting, either by way of general mandate or by specific approval of a particular transaction.

On 22 June 2011, the Directors were granted a general unconditional mandate to repurchase (“**Repurchase Mandate**”) up to 10% of the aggregate nominal value of the share capital of the Company in issue immediately following completion of the Placing (excluding any Shares which may be issued pursuant to any Shares which may be issued upon exercise of any options that may be granted under the Share Option Scheme) on GEM or on any other stock exchange on which the securities may be listed and which is recognised by the SFC and the Stock Exchange for this purpose. This mandate will expire at the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association and applicable laws of the Cayman Islands to be held; or (iii) such mandate being revoked, varied or renewed by resolutions of the Shareholders in a general meeting.

(c) Source of funds

The repurchase of the Shares listed on the Stock Exchange must be funded out of funds legally available for such purpose in accordance with the Memorandum and Articles of Association and the applicable laws of the Cayman Islands and any other laws and regulations applicable to the Company. The Company may not repurchase Shares on the Stock Exchange for consideration other than cash or for the settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(d) Trading restrictions

The Company may repurchase up to 10% of the issued share capital immediately after completion of the Placing (excluding any Shares which may be issued pursuant to any Shares which may be issued upon exercise of any options that may be granted under the Share Option Scheme).

(e) Connected persons

A company is prohibited from knowingly repurchasing securities on the Stock Exchange from a “connected person”, that is, a director, chief executive or substantial shareholder of such company or any of its subsidiaries or any of their associates (as defined in the GEM Listing Rules) and a connected person shall not knowingly sell his securities to the Company on the Stock Exchange.

(f) Reasons for repurchases

The Directors believe that it is in the best interest of the Company and the Shareholders for the Directors to have a general authority from the Shareholders to enable the Company to repurchase the Shares in the market. Repurchase will only be made where the Directors believe that such repurchases will benefit the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or earnings per Share.

(g) General

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the Memorandum, the Articles of Association and any other applicable laws of the Cayman Islands.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in this prospectus) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on its gearing positions which in the opinion of the Directors are from time to time appropriate for the Company.

If, as a result of any repurchase of the Shares, a Shareholder's proportionate interest in the Company's voting rights is increased, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning of the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their respective associates, has any present intention to sell any Shares to the Company.

No connected person of the Company has notified the Company that he has a present intention to sell his Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT THE BUSINESS OF THE GROUP**1. Summary of material contracts**

The following contracts (not being contracts in the ordinary course of business of the Group) have been entered into by members of the Group within the two years preceding the date of this prospectus and are or may be material:

- (a) bought and sold notes dated 24 November 2009 for the transfer of 500 shares in Legend Strategy by Lai Ying to 8832 Limited for a consideration of HK\$500;
- (b) bought and sold notes dated 3 February 2010 for the transfer of 100 shares in Legend Strategy by Lai Ying to Qiu Wen for a consideration of HK\$100;
- (c) bought and sold notes dated 3 February 2010 for the transfer of 100 shares in Legend Strategy by Lai Ying to Tuo Wei Wei for a consideration of HK\$100;
- (d) bought and sold notes dated 3 February 2010 for the transfer of 100 shares in Legend Strategy by Lai Ying to Ho Yin Man, Carmen for a consideration of HK\$100;
- (e) bought and sold notes dated 29 March 2010 for the transfer of 100 shares in Legend Strategy by Lai Ying to Qiu Wen for a consideration of HK\$100;
- (f) bought and sold notes dated 7 May 2010 for the transfer of 100 shares in Legend Strategy by Triple Leaf to Wang Huaner for a consideration of HK\$100;
- (g) bought and sold notes dated 20 October 2010 for the transfer of 300 shares in Legend Strategy by Lai Ying to Mr. De Weyer for a consideration of HK\$300;
- (h) a share transfer agreement dated 30 November 2010 entered into between Mr. Fong and Legend Strategy whereby Mr. Fong agreed to transfer the entire registered capital of Yingde Tourists to Legend Strategy at a consideration of HK\$8,000,000;
- (i) the 1506 CC Strategic Agreement;
- (j) a share transfer agreement dated 17 November 2010 entered into among Lai Ying (as vender), Mr. Qiu (as purchaser), Legend Strategy, Triple Leaf, Mr. Wong, Mr. Fong and 佛山創意產業園投資管理有限公司 (Foshan Creative Production Garden Investment Management Company Limited*) where Lai Ying agreed to transfer 8% of the issued share capital of Legend Strategy to Mr. Qiu for a consideration of HK\$4,800,000;

- (k) bought and sold notes dated 22 December 2010 for the transfer of 3,500,000 shares in Moon Ko by Dr. Pradit to Legend Strategy for a consideration of HK\$1.00;
- (l) bought and sold notes dated 22 December 2010 for the transfer of 5,250,000 shares in Moon Ko by Mr. Fong to Legend Strategy for a consideration of HK\$1.00;
- (m) a supplemental share transfer agreement dated 18 March 2011 entered into among Lai Ying (as vender), Mr. Qiu (as purchaser), Legend Strategy, Triple Leaf, Mr. Wong, Mr. Fong and 佛山創意產業園投資管理有限公司 (Foshan Creative Production Garden Investment Management Company Limited*) in respect of the transfer of 8% of the issued share capital of Legend Strategy from Lai Ying to Mr. Qiu for a consideration of HK\$4,800,000 to supplement the share transfer agreement dated 17 November 2010 entered into among the same parties (being material contract as mentioned in paragraph (j) above);
- (n) the Shu Yong Consultancy Agreement;
- (o) a sale and purchase agreement dated 23 March 2011 entered into between Mr. Fong and the Company whereby Mr. Fong agreed to transfer the entire issued share capital of Legend Strategy International to the Company for a consideration of US\$1.00;
- (p) a sale and purchase agreement dated 24 March 2011 entered into between Mr. Fong and Legend Strategy International whereby Mr. Fong agreed to transfer to Legend Strategy International the entire issued share capital of Lai Ying and all the shareholder's loan owed by Lai Ying to Mr. Fong as at the date of the agreement in consideration of the allotment and issue of 87,750,000 shares to Mr. Fong;
- (q) a sale and purchase agreement dated 27 April 2011 entered into between Mr. Fong, Mr. De Weyer, Markus Rall, Jiang Wen, Qiu Wen, Kan Yau Shan and Legend Strategy International whereby Mr. Fong, Mr. De Weyer, Markus Rall, Jiang Wen, Qiu Wen, Kan Yau Shan agreed to transfer to Legend Strategy International approximately 27.8%, 34.2%, 9.5%, 9.5%, 9.5% and 9.5% of the issued share capital of Triple Leaf and all the shareholders' loan owed by Triple Leaf to each of Mr. Fong, Mr. De Weyer, Markus Rall, Jiang Wen, Qiu Wen and Kan Yau Shan as at the date of agreement in consideration of the allotment and issue of 5,259,465 Shares, 6,473,655 Shares, 1,791,720 Shares, 1,791,720 Shares, 1,791,720 Shares, 1,791,720 Shares to Mr. Fong, Mr. De Weyer, Markus Rall, Jiang Wen, Qiu Wen and Kan Yau Shan respectively;
- (r) a sale and purchase agreement dated 19 June 2011 entered into between Mr. Fong, Mr. Qiu, Mr. De Weyer, Qiu Wen, Tuo Wei Wei, Ho Yin Man, Carmen, Wan Huaner and Legend Strategy International whereby Mr. Fong,


Mr. Qiu, Mr. De Weyer, Qiu Wen, Tuo Wei Wei, Ho Yin Man, Carmen, Wan Huaner agreed to transfer to Legend Strategy International 5%, 8%, 3%, 2%, 1%, 1% and 1% of the issued share capital of Legend Strategy and all the shareholders' loan owed by Legend Strategy to each of Mr. Fong, Mr. De Weyer, Qiu Wen, Tuo Wei Wei, Ho Yin Man, Carmen, Wan Huaner as at the date of agreement in consideration of the allotment and issue of 6,750,000 Shares, 10,800,000 Shares, 4,050,000 Shares, 2,700,000 Shares, 1,350,000 Shares, 1,350,000 Shares and 1,350,000 Shares to Mr. Fong, Mr. Qiu, Mr. De Weyer, Qiu Wen, Tuo Wei Wei, Ho Yin Man, Carmen, Wan Huaner respectively;

- (s) a sale and purchase agreement dated 24 June 2011 entered into among Markus Rall, Jiang Wen, Kan Yau Shan and Triple Leaf (BVI) whereby of Markus Rall, Jiang Wen, Kan Yau Shan agreed to transfer 1.33%, 1.33% and 1.33% of the issued share capital of the Company to Triple Leaf (BVI) in consideration of the allotment and issue of one share in Triple Leaf (BVI) to each of these shareholders respectively;
- (t) a deed of undertakings dated 27 June 2011 entered into between Mr. Fong and the Company, pursuant to which Mr. Fong provides certain guarantees, warranties and undertakings to the Group;
- (u) a deed of indemnity dated 27 June 2011 entered into between the Controlling Shareholder and the Company, pursuant to which the Controlling Shareholder agreed to give certain tax and estate duty indemnities, property indemnity and other indemnities in favour of the Company (for itself and as trustee for and on behalf of its subsidiaries) subject to and in accordance with the terms and conditions set out therein;
- (v) the Deed of Non-competition Undertaking; and
- (w) the Placing Agreement.

2. Intellectual property rights of the Group

(a) Trademark




- (i) As at the Latest Practicable Date, the Group had the following registered trademark in Hong Kong:

Trademark	Registrant	Class (Note)	Place of registration	Registration number	Registration date	Expiry date
	Legend Strategy	43	Hong Kong	301674874	28 July 2010	27 July 2020

Note:

The specific services under class 43 include providing banqueting services; temporary accommodation; hotel services; hotel accommodation; rental of meeting rooms for private parties food and drink; food and drink catering; restaurant services; cafes; bistro services; canteen services; coffee house services; tea house services; self-service café services; self-service restaurant services; take away food services; cocktail lounge services; tavern services; bar services; fast food services; snack bar services; cafeteria services; rental of chairs, tables, table linen, glassware for private parties; food and drink catering for private parties; food cooking services; and preparation of food and drink services.

- (ii) As at the Latest Practicable Date, the Group had applied for registration of the following trademarks in the PRC:

Trademark	Applicant	Class (Note)	Application number	Application date
悦来客栈	Legend Strategy	43	9126255	17 February 2011
悦来	Legend Strategy	43	9216767	16 March 2011
	Legend Strategy	43	9241872	22 March 2011
	Legend Strategy	43	9216766	16 March 2011
				

Note:

The specific services under class 43 include accommodation; hotels; hotel services; accommodation (hotels, boarding house) services; coffee shops; motel services; reservations services for temporary accommodation; reservations services for hotel accommodation; bar; and teahouse.

(b) *Domain names*

As at the Latest Practicable Date, the Group had registered the following domain names:

Domain name	Registrant	Expiry date
www.welcomeinn.com.cn	Yuelai Inn Tourists	17 April 2013
www.legendstrategy.com	Yuelai Inn Tourists	21 June 2012

C. DISCLOSURE OF INTERESTS

1. Directors

(a) Interest and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations

Immediately following completion of the Placing (assuming 45,000,000 Placing Shares are successfully placed and taking no account of Shares which may be issued pursuant to the exercise of options which may be granted under the Share Option Scheme), the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have taken under such provisions of the SFO) once the Shares are listed, or which will be required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or which, once the Shares are listed, will be required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors are as follows:

(i) Interest in Shares

Name of Director	Capacity/Nature of interest	Long/Short position	Number of Shares held	Approximate percentage of shareholding in the Company
Mr. Fong	Personal	Long	99,759,466	55.4%
Ms. Wong Pit Lai Vera (Note 1)	Interest of spouse	Long	99,759,466	55.4%
Mr. De Weyer	Personal	Long	10,523,655	5.8%
Ms. Makoto Nishimura (Note 2)	Interest of spouse	Long	10,523,655	5.8%

(ii) Interest in associated corporation of the Company

Name of Director	Name of associated corporation	Capacity/Nature of interest	Number of securities held	Approximate percentage of shareholding
Nil	Nil	Nil	Nil	Nil

Notes:

- Ms. Wong Pit Lai Vera is the spouse of Mr. Fong, she is therefore deemed to be interested in the Shares in which Mr. Fong is interested for the purpose of the SFO.

2. Ms. Makoto Nishimura is the spouse of Mr. De Weyer, she is therefore deemed to be interested in the Shares in which Mr. De Weyer is interested for the purpose of the SFO.

(b) Particulars of service contracts

Each of the executive Directors and the non-executive Director has entered into a service contract with the Company for a term of three years commencing from the Listing Date which may be terminated by either party giving not less than three months' prior notice in writing and is subject to termination provisions therein and provisions on retirement by rotation of the Directors as set out in the Articles of Association. Particulars of the service contracts of the executive Directors and the non-executive Director are in all material respects the same. Each of the executive Directors and the non-executive Director shall be entitled to the annual fee as follows:

Name of Director	Annual Director's remuneration HK\$
Mr. Fong	480,000
Mr. Wong	240,000
Mr. De Weyer	80,000

Each of the independent non-executive Directors has been appointed pursuant to an appointment letter issued by the Company for a term of three years commencing from the Listing Date which may be terminated by either party by giving not less than three months' prior notice in writing. Pursuant to the letters of appointment between the Company and each of Dr. Wong, Hak Kun Jerry, Mr. Tam, Kwok Ming Banny and Mr. Tsoi, Wing Sum (all of whom are independent non-executive Directors), each of them is entitled to receive a Director's fee of HK\$6,666 per month.

Save as disclosed above, none of the Directors has entered or has proposed to enter into any service agreements with the Company or any members of the Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

(c) Remuneration of Directors

- (i) About HK\$210,000 and HK\$210,000 were paid to the Directors by the Group as remuneration for each of the two financial years ended 31 December 2010 respectively.

- (ii) Save as disclosed in the Accountant's Report in Appendix I to this prospectus, no Directors received any remuneration or benefits in kind from the Group for each of the two financial years ended 31 December 2010 respectively.
- (iii) None of the Directors or any past directors of any member of the Group has been paid any sum of money for each of the two years ended 31 December 2010 as (1) an inducement to join or upon joining the Company; or (2) for loss of office as a director of any member of the Group or of any other office in connection with the management of the affairs of any member of the Group.
- (iv) Under the arrangement currently in force, conditional upon the Listing, the estimated aggregate remuneration (excluding discretionary bonus, if any) payable by the Group to the Directors for the financial year ending 31 December 2011 is expected to be about HK\$625,000.

2. Substantial Shareholders

(a) Interests in the Company

So far as the Directors are aware, immediately following completion of the Placing (assuming 45,000,000 Placing Shares are successfully placed and taking no account of Shares which may be issued pursuant to the exercise of options which may be granted under the Share Option Scheme), the following persons (not being a Director or chief executive of the Company) are expected to have an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Long/Short position	Capacity/ Nature of interest	Number of Shares held	Approximate percentage of shareholding
Mr. Qiu	Long	Personal	10,800,000	6.0%
Ms. Cheng Xiaomin (<i>Note</i>)	Long	Interest of spouse	10,800,000	6.0%

Note: Ms. Cheng Xiaomin is the spouse of Mr. Qiu, she is therefore deemed to be interested in the Shares in which Mr. Qiu is interested for the purpose of the SFO.

(b) Interest in other members of the Group

So far as the Directors are aware, immediately following completion of the Placing, there will not be any persons (not being a Director or chief executive of the Company) who will be directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

3. Related party transactions

Save as disclosed in this prospectus and in the Accountant's Report set out in Appendix I to this prospectus, during the two years immediately preceding the date of this prospectus, the Company had not engaged in any other material connected transactions or related party transactions.

4. Agency fees and commissions received

Save as disclosed in this prospectus, no commissions, discounts, brokerages or other special terms were granted within the two years immediately preceding the date of this prospectus in connection with the issue or sale of any capital of any member of the Group.

D. SHARE OPTION SCHEME

The following is a summary of the principal terms of the Share Option Scheme approved by the resolution of the Shareholders passed on 22 June 2011:

(a) Purpose

The purpose of the Share Option Scheme is for the Group to reward and retain Participants (as defined in paragraph (c) below) and to encourage and motivate Participants to strive for future developments and expansion of the Group in order to enhance the value of the Shares which will benefit the Group and the Shareholders as a whole. The Share Option Scheme shall be an incentive to encourage the Participants to perform their best in achieving the goals of the Group and allow the Participants to enjoy the results of the Company attained through their efforts and contributions.

(b) Conditions

The Share Option Scheme is conditional upon:

- (i) the passing of the necessary resolution(s) by Shareholders to approve and adopt the Share Option Scheme;
- (ii) the Listing Division granting approval (whether subject to conditions or not) of the Share Option Scheme and any right to subscribe for Shares pursuant to the Share Option Scheme (“**Option(s)**”) which may be granted thereunder, and the listing of, and permission to deal in, any Shares which may be issued pursuant to the exercise of the Options;
- (iii) the commencement of dealings in the Shares on GEM; and
- (iv) the obligations of the Placing Agents under the Placing Agreement referred to in the paragraph headed “Placing Arrangements and Expenses” in the section headed “Structure and Conditions of the Placing” of the prospectus

becoming unconditional (including, if relevant, as a result of the waiver of any such conditions) and not being terminated in accordance with the terms of the Placing Agreement or otherwise.

(c) Scope of Participants and eligibility of Participants

The Board may, at its discretion, invite (collectively, the “**Participants**”):

- (i) (a) any full-time employee and director (including executive Director, non-executive Director and independent non-executive Director and (b) any part time employee with weekly working hours of 10 hours and above of the Group (“**Employee**”);
- (ii) (a) any adviser or consultant (in the areas of legal, technical, financial or corporate managerial) to the Group; (b) any provider of goods and/or services to the Group; or (c) any other person who, at the sole determination of the Board, has contributed to the Group (the assessment criterion of which are (i) such person’s contribution to the development and performance of the Group; (ii) the quality of work performed by such person for the Group; and (iii) the initiative and commitment of such person in performing his or her duties; and (iv) the length of service or contribution of such person to the Group) (“**Business Associate**”); and
- (iii) any trustee of a trust (whether family, discretionary or otherwise) whose beneficiaries or objects include any Employee or Business Associate of the Group.

In determining the basis of eligibility of each Participant, the Board would take into account such factors as the Board may at its absolute discretion consider appropriate.

(d) Acceptance of offer

Offer of an Option shall be deemed to have been accepted by the grantee when the duplicate of the relevant offer letter comprising acceptance of the Option duly signed by the grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company within 28 days from the date of the offer.

(e) Subscription price

The subscription price for the Shares under the Share Option Scheme, subject to any adjustments made pursuant to reorganisation of capital structure shall be a price determined by the Board in its absolute discretion at the time of the grant of the relevant Option and notified to the Participant and shall be no less than the higher of (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets on the date on which the relevant Option is granted, (ii) the average closing price

of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the date on which the relevant Option is granted; and (iii) the nominal value of a Share.

(f) Maximum number of Shares available for subscription

- (i) Subject to (iv) below, the total number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of the Shares in issue as at the date of completion of the Placing unless the Company obtains an approval from its shareholders pursuant to (ii) below.
- (ii) Subject to (iv) below, the Company may seek approval of its shareholders in general meeting to renew the 10% limit set out in (i) above such that the total number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the total number of the Shares in issue as at the date of approval of the renewed limit.
- (iii) Subject to (iv) below, the Company may seek separate approval from its shareholders in general meeting for granting Options to specified Participant(s) beyond the 10% limit provided the Options granted in excess of such limit are specifically approved by the Shareholders in general meeting and the Participants are specifically identified by the Company before such approval is sought. In such case, the Company shall send a circular to its shareholders containing, amongst other terms, a generic description of the specified Participant(s) whom such Options are to be granted to, the number and terms of the Options to be granted, the purpose of granting Options to the specified Participant(s) and an explanation as to how these Options serve such purpose.
- (iv) Notwithstanding any other provisions of the Share Option Scheme, the maximum number of Shares in respect of which Options may be granted under the Share Option Scheme together with any options outstanding and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company in issue shall not exceed 30% (or such higher percentage as may be allowed under the GEM Listing Rules) of the total number of Shares in issue from time to time. No Options may be granted under the Share Option Scheme or any other share option schemes of the Company if this will result in such limit being exceeded.

(g) Conditions, restrictions or limitations on offers of Options

Unless otherwise determined by the Board, there is no minimum period for which an Option must be held before it can be exercised and no performance target needs to be achieved by the grantee before the Options can be exercised. On and subject to the provisions of the GEM Listing Rules and the terms of the Share Option Scheme, the

Board shall be entitled at any time during the life of the Share Option Scheme to make an offer to any Participant as the Board may in its absolute discretion impose any conditions, restrictions or limitations in relation to the Options and select to take up Options in respect of such number of Shares as the Board may think fit (provided the same shall be a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof) at the subscription price.

(h) Maximum entitlement of Shares of each Participant

- (i) Subject to paragraph (ii) below, the total number of Shares issued and to be issued upon exercise of the Options granted to each Participant (including exercised, cancelled and outstanding Options) in any 12-month period shall not exceed 1% of the relevant class of securities of the Company in issue.
- (ii) Notwithstanding (i) above, any further grant of Options to a Participant in excess of the 1% limit shall be subject to shareholders' approval with such Participant and his associates abstaining from voting. The number and the terms of the Options to be granted to such Participant shall be fixed before the Shareholders' approval of the grant of such Option and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

(i) Grant of Options to connected persons

- (i) Any grant of Options to a Participant who is a director, chief executive or substantial shareholder (each has the meaning as ascribed under the GEM Listing Rules) of the Company or any of their respective associates must be approved by the independent non-executive Directors (excluding independent non-executive Director who is the Participant).
- (ii) Where the Board proposes to grant any Option to a Participant who is a substantial Shareholder or an independent non-executive Director or any of their respective associates and such Option which if exercised in full, would result in such Participant becoming entitled to subscribe for such number of Shares, when aggregated with the total number of Shares already issued, and issuable, to him or her pursuant to all Options granted and to be granted (including Options exercised, cancelled and outstanding) to him or her in the 12-month period up to and including the proposed date of offer of such grant (the "**Relevant Date**"):
 - (1) representing in aggregate more than 0.1% of the relevant class of securities of the Company in issue on the Relevant Date; and
 - (2) having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Relevant Date and if the Relevant Date is not a trading day, the trading day immediately preceding the Relevant Date, in excess of HK\$5,000,000,

such proposed grant of Options must be approved by the Shareholders in general meeting and the Company must send a circular to its shareholders containing all those terms as required under the GEM Listing Rules. The Participant concerned and all other connected persons of the Company must abstain from voting (except where any connected person intends to vote against the relevant resolution provided that such intention to do so has been stated in the circular). Any vote taken at the meeting to approve the grant of such Options must be taken on a poll.

(j) Exercise of Options

An Option may be exercised in accordance with the terms of the Share Option Scheme and such other terms and conditions upon which an Option was granted, at any time during the option period after the Option has been granted by the Board but in any event, not more than 10 years commencing on the date of grant. An Option shall lapse automatically (to the extent not already exercised) on the expiry of the option period.

(k) Transferability of Options

An Option shall be personal to the grantee and shall not be assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interests in favour of any third party over or in relation to any Option. Any breach of the foregoing by the grantee shall entitle the Company to cancel any option granted to such grantee (to the extent not already exercised).

(l) If a grantee ceased to be a Participant by reason other than death or misconduct

If the grantee ceases to be a Participant for any reason other than, in case of grantee being an Employee on the grantee's death or the termination of the grantee's employment or directorship on one or more of the grounds specified in paragraph (n) below, and, in case of grantee being a Business Associate, on the expiry of the relevant fixed term contract or date of notice of cessation for ground other than those specified in paragraph (n) below the grantee may exercise the Option up to his entitlement at the date of cessation (to the extent he or she is entitled to exercise at the date of cessation but not already exercised) within the period of nine months (or such longer period as the Board may determine) following the date of such cessation.

(m) On the death of a grantee

If the grantee dies before exercising the Option in full and none of the events which would be a ground for termination of the grantee's employment or directorship under paragraph (n) below arises, the personal representative(s) of the grantee shall be entitled to exercise the Option up to the entitlement of such grantee at the date of death (to the extent which has become exercisable and not already exercised) within a period of 12 months or such longer period as the Board may determine from the date of death, failing which it will lapse.

(n) Termination by reason of misconduct

An Option shall lapse automatically (to the extent not already exercised) on the date on which, in case of grantee being an Employee, the grantee ceased to be a Employee by reason of the termination of his employment or directorship on the grounds that he or she has been guilty of misconduct, or appears either to be unable to pay or have no reasonable prospect to be able to pay debts, or has become insolvent, or has made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty, or on any other grounds on which the Group would be entitled to summarily terminate his office or employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Group and in case of grantee being a Business Associate, the contract with the Group is terminated by reason of breach of contract on the part of the Business Associate or such Business Associate appears either to be unable to pay or have no reasonable prospect to be able to pay debts, or has become insolvent, or has made any arrangements or composition with his or her creditors generally, or ceases or threaten to cease to carry on its business, or is wound up, or has an administrator or liquidator being appointed for the whole or any part of its undertaking or assets; or has been convicted of any criminal offence involving integrity or honesty.

(o) Voluntary winding-up of the Company

In the event a notice is given by the Company to its shareholders to convene a Shareholders' meeting for the purpose of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to all grantees and the grantee (or his or her legal representative(s)) may by notice in writing to the Company (such notice to be received by the Company not later than four business days prior to the proposed shareholders' meeting) exercise the Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice and the Company shall as soon as possible and in any event no later than the day immediately prior to the date of the proposed Shareholders' meeting, allot and issue such number of Shares to the grantee which falls to be issued on such exercise. Subject to the above, an Option shall lapse automatically (to the extent not already exercised) on the expiry of the period referred to above.

(p) General offer by way of take-over

If a general offer by way of take-over is made to all the Shareholders (or all such holders other than the offeror, any person controlled by the offeror and any person acting in association or concert with the offeror) with the terms of the offer having been approved by the holders of not less than nine-tenths in value of the Shares comprised in the offer within four months from the date of the offer and the offeror thereafter gives a notice to acquire the remaining Shares, the grantee (or where appropriate, his or her legal personal representatives) shall be entitled to exercise the Options in full (to the extent not already exercised) even though the option period has not come into effect during the occurrence of the general offer within 21 days after the

date of such notice by the offeror. Subject to the above, an Option shall lapse automatically (to the extent not already exercised) on the expiry of the period referred to above.

(q) Rights on a compromise or arrangement

If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice to the grantee on the same date as it despatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the grantee (or his or her personal representative(s)) may until the expiry of the period commencing with such date and ending with the earlier of the date two months thereafter and the date on which such compromise or arrangement is sanctioned by the Court, provided that the relevant Options are not subject to a term or condition precedent to them being exercisable which has not been fulfilled, exercise any of his or her Options whether in full or in part, but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the Share Option Scheme.

(r) Rank pari passu

The Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the Articles of Association for the time being in force and will rank pari passu with the fully paid Shares in issue as from the date of allotment and in particular will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date thereof shall be before the date of allotment.

(s) Reorganisation of capital structure

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, open offer, consolidation, sub-division, or reduction of share capital of the Company or otherwise howsoever in accordance with legal requirements and requirements of the Stock Exchange, other than any alteration in the capital structure of the Company as a result of an issue of Shares pursuant to, or in connection with, any share option scheme, share appreciation rights scheme or any arrangement for remunerating or incentivising any employee, consultant or adviser to the Company or any employee, consultant or adviser to the Group or in the event of any distribution of the Company's legal assets to its shareholders on a pro rata basis

(whether in cash or in specie) other than dividends paid out of the net profits attributable to its shareholders for each financial year of the Company, such corresponding alterations (if any) shall be made to:

- (i) the number or nominal amount of Shares subject to the Option so far as unexercised; or
- (ii) the subscription price; or
- (iii) the maximum number of Share for which the Options may be granted under the Share Option Scheme,

or any combination thereof, as the Company's auditors or the independent financial adviser shall certify in writing, either generally or as regards any particular grantee, to be in their opinion fair and reasonable, and to have, in their opinion, fairly and reasonably satisfied the requirement that any such adjustment shall be in compliance with the relevant provisions of the GEM Listing Rules or such other guidelines or supplementary guidance as may be issued by the Stock Exchange from time to time, but that no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value.

(t) Duration of the Share Option Scheme

The Share Option Scheme shall remain valid and effective for a period of 10 years commencing on the date on which the Share Option Scheme is adopted, after which period no further Options will be granted but the provisions of the Share Option Scheme shall in all other respects remain in full force and effect and Options which are granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

(u) Cancellation of Options granted

The Board may at any time at its absolute discretion cancel any Option previously granted to, but not exercised by the grantee. Where the Company cancels Options and offers Options to the same grantee, the offer of such new Options may only be made with available Options to the extent not yet granted (excluding the cancelled Options) within the limit approved by the Shareholders as mentioned in paragraph (f) above. An Option shall lapse automatically (to the extent not already exercised) on the date on which the Option is cancelled by the Board as provided above.

(v) Termination of the Share Option Scheme

The Company may by ordinary resolution in general meeting terminate or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the Share Option Scheme in relation to any outstanding options shall remain in full force and effect. All Options granted prior to such termination but not yet exercised at the time of the termination shall continue to be valid and exercisable in accordance with this Scheme.

(w) Alteration of provisions of the Share Option Scheme

The Share Option Scheme may be altered in any respect by resolution of the Board save that the provisions of the Share Option Scheme relating to matters contained in Rule 23.03 of the GEM Listing Rules shall not be altered to extend the class of person eligible for the grant of Options or to the advantage of grantees or prospective grantees, except with the prior approval of the Shareholders in general meeting. Any alteration to the terms and conditions of the Share Option Scheme, which is of a material nature or any change to the terms of any Option granted must be approved by the Stock Exchange and the Shareholders in general meeting, except where such alterations take effect automatically under the existing terms of the Share Option Scheme. Any amendment or alteration to the terms and conditions of the Share Option Scheme shall comply with Chapter 23 of the GEM Listing Rules. Any change to the authority of the Board or administrators of the Share Option Scheme in relation to any alteration to the terms of the Share Option Scheme must be approved by the Shareholders in general meeting.

(x) Restrictions on the time of grant of Options

An offer must not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published pursuant to the requirements of the GEM Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the GEM Listing Rules); and (ii) the deadline for the Company to publish announcement for its results for any year, half-year or quarterly under the GEM Listing Rules, or any other interim period (whether or not required under the GEM Listing Rules) and ending on the date of the results announcement, no Option may be granted. Such period will cover any period of delay in the publication of a results announcement.

As at the date of this prospectus, no option has been granted or agreed to be granted under the Share Option Scheme. On the assumption that 180,000,000 Shares are in issue on the date of commencement of dealings in the Shares on the Stock Exchange, the application to the Listing Division of the Stock Exchange for the listing of, and permission to deal in, the Shares on the Stock Exchange, 18,000,000 Shares may be issued upon the exercise of the Options which may be granted under the Share Option Scheme.

E. OTHER INFORMATION

1. Estate duty and tax indemnity

The Controlling Shareholder (the “**Indemnifier**”) has entered into a deed of indemnity with and in favour of the Company (for itself and as trustee for each of its present subsidiaries) (being the material contract (u) referred to under the paragraph headed “Summary of material contracts” in the section headed “Further information about the business of the Group” in this Appendix) to provide indemnities in respect of, among others, any liability for Hong Kong estate duty which might be incurred by any member of the Group and/or its associated companies by reason of any transfer of property (within the meaning of section 35 of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong)) to any member of the Group on or before the date on which the Placing becomes unconditional.

Under the deed of indemnity, the Indemnifier has also given indemnities to the Group in relation to taxation which might be payable by any member of the Group in respect of any income, profits or gains earned, accrued or received on or before the date on which the Placing becomes unconditional.

The Directors have been advised that no material liability for estate duty is likely to fall on the Company or any of its subsidiaries in the Cayman Islands, BVI and the PRC.

The deed of indemnity does not cover any claim and the Indemnifier shall be under no liability under the deed of indemnity in respect of any taxation:

- (a) to the extent that provision, reserve or allowance has been made for such liability, taxation or taxation claim in the audited accounts (the “**Accounts**”) of the Company and its subsidiaries as at and for the two years ended 31 December 2010; or

- (b) to the extent that such taxation or liability for such taxation falling on any members of the Group in respect of their accounting periods or any accounting period commencing on or after 1 January 2011 and ending on the Listing Date, where such taxation or liability would not have arisen but for some act or omission of, or transaction voluntarily effected by, the Group or any of its members (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) without the prior written consent or agreement of the Indemnifier other than any such act, omission or transaction:
 - (i) carried out or effected in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets on or before the Listing Date;
 - (ii) carried out, made or entered into pursuant to a legally binding commitment created on or before the Listing Date or pursuant to any statement of intention made in this prospectus; or
 - (iii) consisting of any of the members of the Group ceasing, or being deemed to cease, to be a member of any group of companies or being associated with any other company for the purposes of any matter of taxation;
- (c) to the extent that such taxation claim arises or is incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law or the interpretation or practice thereof by the Inland Revenue Department of Hong Kong or any other relevant authority coming into force after the date of the deed of indemnity or to the extent such taxation claim arises or is increased by an increase in rates of taxation after the date of the deed of indemnity with retrospective effect;
- (d) to the extent of any provisions or reserve made for taxation in the Accounts which is finally established to be an over-provision or an excessive reserve in which case the Indemnifier's liability (if any) in respect of such taxation shall be reduced by an amount not exceeding such provision or reserve, provided that the amount of any such provision or reserve applied pursuant to this item (d) to reduce the Indemnifier's liability in respect of taxation shall not be available in respect of any such liability arising thereafter; or
- (e) to any incomes, profits or gains earned, accrued or received by any member of the Group or any event occurred after the Listing Date.

Under the said deed of indemnity, the Indemnifier has also undertaken to indemnify the Group against any costs, expenses, claims, liabilities, penalties, losses and damages (including, but not limited to, any relocation or destruction cost) incurred or suffered by the Company or any member of the Group arising from or in connection with any failure of the Company, any members of the Group or any parties from whom the Company or any member of the Group purchased, leased or obtained licence or permit to use any property interests owned, leased, licenced or otherwise used or occupied by the Company or any member of the Group (the “**Relevant Property**”), to obtain any property ownership certificate, certificate of title, approval, permit, consent or registration in respect of the Relevant Property.

The Indemnifier has further agreed with each member of the Group that he will indemnify and at all times keep all and each of the members of the Group fully indemnified on demand against all losses, costs (including all legal costs), expenses, penalties or other liabilities which any of the members of the Group may incur in connection with or sustain from (i) the delay in capital contribution to any members of the Group by the relevant shareholders; and (ii) any failure of the Company or any members of the Group to fully pay or as required by the relevant local authorities to fully pay any social insurance contributions to the extent such amounts are not fully and adequately provided in the Accountant’s Report as set out in Appendix I to this prospectus.

2. Litigation

As at the Latest Practicable Date, neither the Company nor any other member of the Group was engaged in any litigation or arbitration of material importance and, so far as the Directors are aware, no litigation, arbitration or claim of material importance was pending or threatened against any member of the Group.

3. Sponsor

The Sponsor has made an application on behalf of the Company to the Listing Division for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned herein (including any Shares falling to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme).

4. Preliminary expenses

The preliminary expenses of the Company are estimated to be approximately HK\$62,000 and are payable by the Company.

5. Promoter

The promoter of the Company is Mr. Fong. Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to the promoter in connection with the Placing or the related transactions described in this prospectus.

6. Qualifications of experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this prospectus:

Name	Qualification
Quam Capital	A licenced corporation to carry on type 6 (advising on corporate finance) regulated activity under the SFO
Jingtian & Gongcheng	Legal advisers to the Company as to PRC laws
Conyers Dill & Pearman	Cayman Islands attorneys-at-law
PricewaterhouseCoopers	Certified public accountants
Norton Appraisals Limited	Property valuers

7. Consents of experts

Each of Quam Capital, Jingtian & Gongcheng, Conyers Dill & Pearman, PricewaterhouseCoopers and Norton Appraisals Limited has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or opinion and/or valuation certificate and/or the references to its name included herein in the form and context in which they are respectively included.

8. Binding effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance insofar as applicable.

9. Disclaimers

Save as disclosed in this prospectus:

- (a) none of the Directors nor any of the parties whose names are listed in the paragraph headed “Consents of experts” under the section headed “Other information” in this Appendix is interested in the promotion of the Company, or in any assets which have been, within the two years immediately preceding the issue of this prospectus, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group;
- (b) none of the Directors nor any of the parties whose names are listed in the paragraph headed “Consents of experts” under the section headed “Other information” in this Appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of the Group;
- (c) none of the experts named in the paragraph headed “Qualifications of experts” under the section headed “Other information” in this Appendix has any shareholding in any member in the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member in the Group; and
- (d) none of the Directors is interested in any business apart from the Group’s business, which competes or is likely to compete, either directly or indirectly, with the Group’s business.

10. Miscellaneous

(a) Save as disclosed in this prospectus:

- (i) within the two years preceding the date of this prospectus, no share or loan capital of the Company or any of its subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
- (ii) no share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (iii) no founders, management or deferred shares of the Company or any of its subsidiaries have been issued or agreed to be issued; and
- (iv) the Directors confirm that since 31 December 2010 (being the date to which the latest audited financial statements of the Group were made up), there has been no material adverse change in the financial or trading position or prospects of the Group.

- (b) There has not been any interruption in the business of the Group which may have or has had a material adverse effect on the financial position of the Group in the last 24 months.
- (c) None of Quam Capital, Jingtian & Gongcheng, Conyers Dill & Pearman, PricewaterhouseCoopers and Norton Appraisals Limited:
 - (i) is interested beneficially or non-beneficially in any shares in any member of the Group; or
 - (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any shares in any member of the Group.